

Conducive and Inhibiting Factors to the Development of Women Entrepreneurship

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Abstract

In this dynamic world, women entrepreneurs are significant for the economic development of a country in general and development of women in particular. Now a days a number of women are seeking professional education to enter into an independent business/professional activities. They have entered in independent business/professional activities such as manufacturing, trading and a number of professional activities such as doctors, architects, lawyers, beauticians etc. The present empirical study has been carried out in Aurangabad city of Marathwada region in Maharashtra, India. In the sphere of entrepreneurial development, women are constrained by a variety of socio-economic factors. Therefore it is important to understand conducive and inhibiting factors to the development of women entrepreneurship. The present study was conducted to understand the factors, conducive as well as inhibiting, to the development of women entrepreneurship in Aurangabad, one of the cities of Maharashtra State in India.

Key Words: Economic Growth, Conducive Factor, Inhibiting factor, Entrepreneurship.

1. Introduction:

A number of Social scientists have contended that entrepreneurship is a key variable that links the socio-cultural milieu, with the rate of economic development (Deshpande 1982). Many economists now recognise the role of social factors in economic growth and some have gone to the extent of including concepts developed in the discipline of sociology and social psychology in to their overall analysis. Most sociological analysts, on the other hand, following the tradition of Max Weber, have placed a major independent emphasis on the effect of values in fostering economic development (Lipset 2000). Thus socio-cultural factors play a important role in the development of any country.

Earlier women, almost one half of the total population, were, by and large, confined to household chores and strictly to family affairs. Their skills, capabilities, abilities and potentialities were all confined to the four walls of the house. With the opening up of the economy, the exposure to social and cultural practices of the modern capitalist world, the influence of rapidly growing communication networks around the world, the growing consumerism due to advanced techniques of salesmanship for the promotion of individually own ventures, and the relaxed rules and restrictions besides various export promotion programmes have had a profound influence on the Indian women particularly those belonging to the middle class (Begum 2006).

Today women are increasingly seeking entrepreneurship as an independent avenue for economic growth. In the developing countries like India, the presence of women entrepreneurs is a vital necessity to achieve rapid all-round and regionally and socially balanced economic growth through industrialisation (Ibid 13).

There are a number of factors that play an important role in determining women's entry into and the further development and promotion of women as entrepreneurs.

The present empirical study has been carried out in Aurangabad city of Marathwada region in Maharashtra, India. Aurangabad is the divisional capital of Marathwada region. Therefore it is important to understand conducive and inhibiting factors to the development of women entrepreneurship.

2. The Concept of Entrepreneur and Women Entrepreneurship:

The word 'Entrepreneur' comes from the French word 'entrepreneur' which means to do something. It was originally used in the middle ages in the sense of a person who is active, who gets things done (Swedberg 2000). During the early 16th century, the Frenchmen who organized and led military expeditions were referred to as 'Entrepreneurs'. Around 1700 A.D. the term was used for Architects and Contractors of Public Works (Desai 2004).

Kamala Singh defined a woman entrepreneur as "Confident, innovative, and creative woman capable of achieving self economic independence, individually or, in collaboration, who generates employment opportunities for others through initiating, establishing and running an enterprise by keeping pace with her personal, family and social life" (Singh 1992).

In the present research work, the researcher defined a woman entrepreneur as, " a woman who is innovative, creative and who establishes her own business and provides some unique kind of services to the society, individually or in collaboration by generating employment to others."

3. Review of Literature:

Rao, Harinarayana (1991) has carried out a study to assess the factors which inhibit and slow down the process of entrepreneurial development among women in Anantapur district of Andhra Pradesh. The study was conducted on 81 rural women entrepreneurs. It is revealed in the study that poor financial status, lack of co-operation from the family and society, widespread illiteracy and ignorance were some of the hindrances in the way of development of women entrepreneurship.

Das Mallika (1999) has carried out an exploratory study of women entrepreneurs from two Southern Indian States of Tamilnadu and Kerala. The study examines their reasons for starting a business and compares women who started their own business for different reasons. It also looks at operational problems being faced by women entrepreneurs and the work-family conflicts experienced by women entrepreneurs. This exploratory study indicated that there are both similarities and differences between the experiences of women from the developing and developed worlds. Cash flow problem was the most frequently stated bottleneck, followed by 'inadequate working capital', 'product quality', lack of managerial experience and lack of time were some of the problems faced by women in the study.

Manimekala and Rajeshwari (2000) analysed the nature of entrepreneurial activities at the micro level and their problems in successfully running the enterprise by studying a sample of 30 women entrepreneurs in Tiruchirapalli district. The study reveals that the majority of the entrepreneurs were Hindus and the remaining were Muslims and Christians. Majority of the entrepreneurs came from business and industrial backgrounds and most of them were married to business families. It was also revealed in the study that majority of them did not face any problems severely by virtue of being women. Non-availability of quality raw material, non-sanctioning of the loan by banks and lack of co-operation from family members were some of the problems faced by the women entrepreneurs.

Kalyani and Chandralekha (2002) have conducted an exploratory survey of a sample of 300 women entrepreneurs in two districts namely Cuddapah and Tirupati of Andhra Pradesh. This study dwells upon factors that motivate women to initiate the launching of enterprises and also tries to understand the factors which act as constraints and support their effective association in managing the enterprises. This study brings forth the observation that socio-economic and demographic characteristics have a significant impact on the involvement of women entrepreneurs particularly when it comes to enterprise management. Many of them do receive help from their family members particularly the male members in carrying out various kinds of work.

Kumar Anil (2005) has conducted a study on women entrepreneurs in Delhi city. A sample of 75 women entrepreneurs had been selected for the purpose of the study. The study focused on the profile of women entrepreneurs, constraints, that a woman entrepreneur normally faces both at the time of commencement of business and during the course of business and also income, investment and sources of finance used by women entrepreneurs. The study pointed out that, Most of the women entrepreneurs are facing the problem of finance and marketing. Moreover, the present schemes for making finance available have a lot of bottlenecks and gaps.

4. Methodology:

The present empirical Study in Aurangabad city intends to understand conducive as well as inhibiting factors to the development of women entrepreneurship. The study is descriptive in nature. The universe for the present study constituted all the women entrepreneurs working in Aurangabad city from two sectors: manufacturing and trading.

No organized efforts were made earlier on the part of the government or on the part of the non government organization to prepare an exhaustive list of entrepreneurs in manufacturing and trading sectors from Aurangabad city.

By using snow ball technique the researcher herself had to prepare a list of women entrepreneurs to be used as a sampling frames for the present study. Out of total ninety three respondents (45 from manufacturing and 48 from Trading sector) in Aurangabad city fifty six women entrepreneurs (26 from manufacturing and 30 from trading sector) were purposively selected as sample entrepreneurs.

5. Objectives of the Study: The major two-fold objectives of the present study were:

- 1) To understand the conducive factors to the development of women entrepreneurship.
- 2) To understand the inhibiting factors to the development of women entrepreneurship.

6. Factors Conducive to the Development of Women Entrepreneurship

A number of factors play an important role in determining women's entry into and the further development and promotion of women as entrepreneurship. The factors which are considered to be conducive by the respondents for women's entry into and further development of entrepreneurship have been discussed in this paper.

6.1 Proper Age to start the Business / Profession to Achieve Success:

Age is an important criterion to be considered for one's entry into a business / profession. Respondents' opinions with regard to the proper age- group to enter into business / profession were collected. The respondents' opinions regarding the proper age- group to start business / profession are presented in table no.6.1.

The respondents' responses presented in the table no.6.1 indicate that an overwhelming majority (82 percent) of the respondents were of the opinion that the proper age to start the business / profession was between 21 to 30 years, and (12 percent) saying that it was between 31 to 40 years.

Thus it is clearly revealed in the study that an overwhelming majority of the respondents were found to have expressed their opinion that proper age to enter the business was between 21 to 30 years. Because this is the age-group in which women feel relatively young and energetic. And to run any business/profession one must require good physical stamina, courage which one can possess comparatively in the younger age. Thus, entry in the enterprise at a relatively young age is considered as conducive factor by the respondents in this study.

6.2 Professional Education:

Professional education is considered to be an important facilitating factor for the development of women entrepreneurship. It is very difficult to enter and succeed in business/ profession without the achievement of professional education. Respondents' opinions regarding the importance of professional education to run the business were collected and they are presented in the table no.6.2.

The table no.6.2 clearly reveals that, an overwhelming majority of the respondents (73 Percent) were found to consider professional education as the most important whereas 11 percent were found to consider professional education as of medium importance. Among the remaining, 8 percent were found to consider professional education as the least important and another 8 percent were found to consider professional education as not important at all. Thus, the overall majority of the respondents considered professional education to be the most important conducive factor to enter into an independent entrepreneurial activity.

Free education policy of government for a girl child, various programmes of women's empowerment in the last quarter of the 20th century has increased the educational awareness among the women. Due to it many women have started taking various kind of professional education to enter into different kinds of business/professional activity. Because education helps individual to think and act the way individual wants to do.

6.3 Family Professional Background:

Family business/Professional background influences one's entry into the independent business/ profession. Therefore, respondents' opinions regarding the relationship between the family professional background and the level of success in the business/profession were collected.

The data regarding the relationship between these two variables as perceived by the respondents are presented in the table no.6.3.

It is seen from the data presented in the table no.6.3 that, a majority (39 percent) of the respondents were found to be in a agreement that there is a close relationship between the family professional background and the professional success, 32 percent of the respondents said that there is no relationship between family professional background and success in the business, where as 29 percent of the respondents said that there is a relationship between these variables to some extent.

It is relatively easy for a person to enter into and achieve success in a business/profession, who is having business/professional background than the person who does not have such background. On the whole, as reflected in the respondents' opinions, it appears that the family professional background is a conducive factor for the success in the entrepreneurship activity.

6.4 Relationship between Birth in a particular Caste and success in entrepreneurial Activity.

In India social stratification is based on Caste. It means Caste influences almost all aspects of social life. Therefore, a question was asked to the respondents seeking their opinions about the relationship between the birth in a particular caste and the success in the business / profession. The responses given by the respondents are presented in the table no.6.4.

It can be seen from the data presented in the table no.6.4 that 45 percent of the respondents think that there is a positive relationship between one's caste, and success in one's business / profession to great extent and another 24 percent think that there is a relationship between the two to a certain extent only.

Thus, a majority of the respondents (45+24=69 Percent) opined that there is some degree of positive relationship between caste and success in an entrepreneurial activity. As against this, 31 percent of the respondents think that there is no relationship between them.

In India some castes and communities are considered as business communities such as Gujarati's, Marwari's and Punjabi. As McClelland supported achievement as a major psychological dimension, which is important in the development of entrepreneurship. Thomas Cochran has formulated a sociological theory of entrepreneurial supply. The key elements in his system are cultural values, role expectations and social sanctions. According to Weber Indians lack entrepreneurial skills because of values antithetical to it. But as an exception some castes/communities in India such as Gujarati's, Marwari's and Punjabi are considered as traditional business communities. It is easier for them to enter into an independent business/professional activity because they possess values required for it.

7. Factors Inhibiting to the Development of Women Entrepreneurship.

In our society a woman still receives a secondary status in the family. Generally women do not enter the business line or independent profession due to a number of obstacles in their way. Some such factors inhibiting the development of women entrepreneurship were identified on the basis of responses of the respondents in the present study.

7.1 Unfavourable Traditional Societal Attitude:

In general, societal attitude towards women's entry in the entrepreneurial activity is still not so favourable; it is because tradition-bound persons in society question women's independent abilities. However, recently women have shown that they are not inferior to men. Women have started entering in all the fields including the entrepreneurial activities.

Yet the situation is quite different in metropolitan cities in India and small towns and cities such as Aurangabad where one finds elements of tradition along with that of modernity. Hence, an attempt was made in this study to understand the respondents' perception regarding the societal attitude towards women entrepreneurs.

The responses received to a question in this regard have been presented in the table no.7.1.

The table no.7.1 indicates that only 43 percent of the respondents have opined that the societal attitude towards women is favourable to a great extent. As against this majority (46 percent) of the respondents opined that the societal attitude is favourable only to some extent and 11 percent of the respondents opined that the societal attitude is not favourable at all.

It is revealed from the data that a majority of the respondents opined that the societal attitude towards women entrepreneurs is not very favourable. Despite constitutional equality, women are still discriminated by the male-dominated society. The data thus strongly indicate that in general, tradition-bound unfavourable societal attitude still prevails in smaller cities such as Aurangabad. And this unfavourable societal attitude towards women entrepreneurs could be regarded as the inhibiting factor in the context of the development of women entrepreneurship in Aurangabad.

7.2 Problems Faced While Getting the Loan Sanctioned:

In setting up of an enterprise it is necessary to raise a loan from some financial organisation. In case of women entrepreneurs, they are likely to face a number of problems in raising a loan from banks, because banks are not ready to sanction the loan unless they are fully satisfied with the repayment ability of the party concerned. In this case it is interesting to understand the experiences of the women entrepreneurs. To understand respondents' experiences the question asked was, "Did you face any problem while getting the loan sanctioned from the banks?" The responses thus collected are presented accordingly in the table no.7.2.

The data revealed in the above table no.7.2 that, in case of 32 percent of the respondents opined that they did not face any problems while getting the loan sanctioned. Almost 29 percent of the respondents opined that the procedure of loan sanctioning is tedious. To 27 percent of the respondents this question did not arise because they were found to have started their units without financial assistance from the banks. 7 percent of the respondents also opined that they have experienced negative attitude on the part of the bankers. 5 percent of the respondents opined that their loan was sanctioned but not received on time. In brief, about the problems faced by the respondents in raising loans from the banks, it can be summarised that in case of 41 percent of the respondents who were found to have experienced a number of problems in getting the loans sanctioned.

In general it appears that the attitude of the bankers was not conducive towards women entrepreneurs. In Indian society very few women have property on their names. Therefore, bank officers feel it risky to provide financial assistance to women-owned units. Bankers show distrust mainly because they suspect the repayment ability of the women. Thus the problems created by the banks appear to be the inhibiting or negative factor in starting their business/professional units.

7.3 Discouraging Attitude of Some Government Officers:

Doing a business/profession is a very difficult task. In case of women it becomes a more difficult because as compared to men women have to face more difficulties while doing business/ profession. To seek information regarding the respondents experiences in the Government offices, the question that was asked to the sample respondents was: "What experiences have you faced in the Government offices?" The responses obtained are presented in the table no.7.3.

The data in the table no.7.3 indicate that, 50 percent of the respondents opined that Government officers did help them in case of their work. However, as many as 50 percent of the respondents had to face discouraging attitude of the Government officials, 21 percent opined that the Government officers always help by taking some bribe, 17 percent respondents opined that they were not so willing to give information about various Government schemes etc, and 12 percent opined that the Government officers neglected them and their attitude was found to be negative towards business women.

It indicates that attitude towards business women in the Government offices was not found to be conducive for the development of women entrepreneurship.

Conclusions:

It is revealed from the study that entry in the enterprise at a relatively young age, professional education, family professional background, birth in a particular caste are found to be conducive for women's entry into and further development of entrepreneurship. It is also revealed in a study that a number of obstacles inhibit women's entry into entrepreneurship and these inhibiting factors are unfavorable traditional societal attitude towards women, obstacles in the procedure of loan sanctioning, discouraging attitude of government officers. To some extent in the present context some factors are conducive for women's entry into an independent economic activity but still many factors are inhibiting to women to enter into an independent business activity. A number of studies indicate that although number of women are entering into a entrepreneurial activity they are still facing certain problems. Despite efforts of Government and semi-Government organizations there are certain gaps. Therefore there is a need to encourage women to take part in a various entrepreneurial activities.

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Table 6.1
Proper Age- group to start the Business: Respondents' Opinions

Sr. No.	Age- Groups	Frequency	Percentage
1.	18-20 years	03	6.00
2.	21-30 years	46	82.14
3.	31-40 years	07	11.86
Total		56	100.00

Table 6.2
Importance of Professional Education: Respondents' Opinions

Sr. No	Importance of Professional education	Frequency	Percentage
1.	Most Important	41	73.2
2.	Medium Important	6	10.8
3.	Less Important	4	8.0
4.	Not Important	5	8.0
Total		56	100.00

Table 6.3
Family Professional Background and success in Business

Sr. No	Family Professional background and success	Frequency	Percentage
1.	Close relationship between them	22	39.28
2.	Relationship to some extent	16	28.57
3.	No Relationship between them	18	32.15
Total		56	100.00

Table 6.4
Relationship between Birth in a Particular Caste and success

Sr. No	Relationship between caste and success in business	Frequency	Percentage
1.	Relationship to a great extent	27	44.8
2.	Relationship to some extent	13	24.0
3.	No relationship between them	16	31.2
Total		56	100.00

Table 7.1
Societal Attitude towards Women Entrepreneur: Respondents' Perception:

Sr.no	Societal Attitude	Frequency	Percentage
1	Attitude favourable to a great extent	24	42.85
2	Attitude favourable only to a some extent	26	46.42
3	Attitude is not favourable.	06	10.73
	Total	56	100.00

Table 7.2.
Problems Faced While Getting the Loan Sanctioned: Distribution of Respondents:

Sr.no.	Problems faced while getting the loan sanctioned	Frequency	Percentage
1	Procedure of loan sanctioning is tedious	16	28.57
2	Loan sanctioned but not received on due time	3	5.35
3	Negative attitude of bankers and they were not confident	4	7.14
4	Did not face any problems	18	32.16
5	Not applicable	15	26.78
	Total	56	100.00

Table 7.3
Respondents experiences of Government Officials:

Sr.no	Experiences In the government Offices	Frequency	Percentage
1	They neglected me and their attitude was negative	07	12.50
2	They were reluctant to give desired information	09	16.50
3	Government officers always help us by taking bribe	12	21.00
4	They helped us	28	50.0
	Total	56	100.00

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